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PP RUEHDBU
DE RUEHNT #1299 1971409
ZNY CCCCC ZZH
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FM AMEMBASSY TASHKENT
TO RUEHC/SECSTATE WASHDC PRIORITY 8133
INFO RUEHAH/AMEMBASSY ASHGABAT 3135
RUEHTA/AMEMBASSY ASTANA 9278
RUEHEK/AMEMBASSY BISHKEK 3748
RUEHDBU/AMEMBASSY DUSHANBE 3610
RUEHBUL/AMEMBASSY KABUL 1881
RUEHMO/AMEMBASSY MOSCOW 7115

C O N F I D E N T I A L TASHKENT 001299

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DEPARTMENT FOR SCA/CEN AND SCA/A

E.O. 12958: DECL: 07/16/2017

TAGS: [ENRG](#) [PREL](#) [RF](#) [AF](#) [UZ](#)

SUBJECT: AFGHANISTAN ELECTRICITY PROJECT: ASIAN DEVELOPMENT
BANK READY TO FUND UPGRADES TO UZBEK POWER LINES

REF: TASHKENT 1265

Classified By: CDA Brad Hanson for reasons 1.4 (b) and (d).

¶1. (U) This cable contains an action request. Please see para 4.

¶2. (C) Asian Development Bank (ADB) Country Director Hong Wei told the Charge July 13 that the bank is ready to finance upgrades to approximately 80 miles of power lines between the Talimarjan Power Plan and the Uzbek-Afghanistan border. Hong said that ADB has informed the Government of Uzbekistan of its willingness to fund the upgrades, which will allow Uzbek electricity to be sent to Afghanistan in greater amounts. Anticipating possible Uzbek objections to an electricity deal with Afghanistan, Hong said that the Bank also offered to guarantee that Uzbekistan would be paid for electricity sold to Afghanistan over the upgraded power lines.

¶3. (C) Hong said that Uzbek government officials claim infrastructure problems in Afghanistan are the only hold up to Uzbekistan supplying more power to Afghanistan. ADB has acknowledged that Afghan power lines may not now be capable of handling more electricity, but also has reminded the Government of Uzbekistan that these problems are on their way to being fixed. He speculated that Uzbek officials may be looking for an excuse not to sell power to Afghanistan. Producing more electricity means burning more natural gas, he said, which may be causing political concern about Uzbekistan's ability to fulfill its gas contracts with Russia. Hong said that ADB has done the math and thinks that Uzbekistan would benefit more from selling electricity to Afghanistan than selling natural gas to Russia.

¶4. (C) Comment and Action Request: Uzbekistan's true willingness to sell electricity to Afghanistan will be apparent soon, as the sides reportedly have reached a deal on electricity (reftel). Pricing has not been discussed in any detail, however, and offers an opportunity for Uzbekistan to sabotage the deal if it so desires. Post believes it would be useful to share with ADB in Tashkent (and possibly the GOU) accurate information on the state of upgrades to Afghanistan's electrical grid and requests that the Department provide whatever information is available on the subject.
HANSON